



Response to ARCEP consultation: Draft Guidelines on Costs for Data Transfer Fees in a Multi-Cloud Context

I. Introduction

Cloudflare appreciates the opportunity to respond to ARCEP's consultation on costs for data transfer fees. We believe ARCEP is well positioned to implement frameworks that empower businesses to leverage multi-cloud environments at minimal cost, ensuring they retain the autonomy to select preferred vendors without the burden of provider lock in.

While Cloudflare's previous submission, dated [December 2024](#), detailed how switching costs and data transfer fees obstruct multi-cloud adoption, the following supplemental evidence further illustrates the extent to which the cloud market remains anti-competitive.

Specifically, Cloudflare would like to draw ARCEP's attention to the negligible incremental costs actually incurred by providers when customers migrate data or operate across multi-cloud environments. Although certain hyperscalers have introduced nominal cost reductions, they continue to levy fees that are disproportionate to their internal operational expenses. These inflated charges serve as a pretext for interconnection fees, rather than a reflection of true service costs

II. Data Transit Fees Represent a Prohibitive Barrier to Interoperability and Impose Significant, Incremental Costs on Consumers

Our primary concern continues to be that customers are prohibited from choosing multi-cloud environments because of the imposition of egress fees that are disproportionate to the underlying operational costs. While cloud providers can offer ISP or 'premium' routing options, which primarily utilize their private backbones for internal data transfers, these solutions have not addressed the artificially high costs of transferring data out and into competing cloud environments.

By pricing 'ISP routing options' at a significant markup over actual cost, providers are effectively imposing financial penalties on interoperability, hindering the development of more resilient multi-cloud architectures. Furthermore, by pricing these direct interconnections at a premium, providers force traffic onto public Internet routes, which consumes public transit capacity that should be reserved for peer-to-peer (P2P) services and real-time applications. Consequently, forcing multicloud data onto these public links unnecessarily degrades performance for real time traffic that actually relies on those links.

III. Operating Multi-Cloud Environments Incurs Negligible Incremental Costs

ARCEP's draft guidelines propose that providers may charge for incremental costs associated with active interconnection equipment, peering arrangements, and transit fees. However, the actual interconnection costs to set up a multi-cloud environment are negligible.

Establishing interconnections between clouds (or direct peering) is a straightforward and standard procedure. For any medium or large scale network, these integrations are a common operational requirement and do not pose significant technical hurdles. Internet interconnection is a straightforward physical link and is essentially a cable running between two network routers within a shared data center.

Once this physical connection is established, the networks use standard protocols (specifically BGP) to exchange routing information, effectively telling each other which traffic should be sent across that wire. Establishing these links involves minimal upfront costs and extremely low maintenance overhead. The primary ongoing expense is typically a modest monthly fee paid to the data center provider for the physical cabling between networks.

Given the negligible cost and operational expenses associated with direct peering, the cost of data transfer to settlement-free networks should be passed through to consumers at a cost of effectively near zero. While traffic routed through third-party transit networks can incur higher fees because of added complexities, these are largely absent in multicloud architectures. In addition to direct peering, the use of Internet Exchange Points (IXPs) provides a highly efficient mechanism for transferring data between networks at a marginal cost. By interconnecting at these shared hubs, cloud providers and ISPs can exchange traffic locally and directly rather than routing it through expensive, third party transit networks. This makes current egress markups difficult to justify on an 'at cost basis'.

IV. Despite certain measures by hyperscalers current pricing structures continue to distort the cloud market

Interoperability between cloud service providers and independent security vendors remains obstructed by "egress" fees despite the steps taken by hyperscalers to date.

While hyperscalers, such as AWS, market proprietary solutions like [Direct Connect](#) as cost-saving measures, these offerings fail to address the fundamental economic barriers to multi-cloud integration. In practice, the fees levied on developers do not reflect AWS's actual operational costs, which are minimal. In reality, these pricing models act as a financial disincentive designed to discourage customers to benefit from multi cloud environments.

The supposed cost benefits of "Direct Connection" services are negligible when evaluated against the underlying infrastructure. In most multi-cloud scenarios, data does not actually traverse the Internet but rather, it moves via direct interconnection between providers often situated within the same physical data center. Despite the absence of significant infrastructure costs in either scenario, providers maintain high fee structures. Furthermore, any marginal reduction in egress fees is frequently offset by the "onerous" technical requirements and the

necessity of paying third-party connection fees, often resulting in zero net financial benefit for the customer.

Although AWS did launch a new [AWS Interconnect](#) offering in November 2025, this solution is only [interoperable](#) with Google Cloud and fails to address the systemic barriers to multicloud interoperability currently hindering the French cloud market.

Cloudflare's "[Connectivity Cloud](#)", as we have outlined in our previous submission, on the other hand, is not specific to any one particular cloud architecture or product offering. Rather this term encompasses all the products that we offer, signifying to customers that we support multi-cloud architectures, whether that's protecting their origins in another cloud or tying together distant offices, data centers and cloud workloads.

V. Conclusion

Although we recognise that there can be different costs associated with the transfer of data, there are many cost-negligible ways for a customer to port data from one cloud provider to another. Recent announcements by dominant providers fail to protect multi-cloud architectures, continuing to penalize customers who do not fully terminate their contracts. Because the actual operational costs of direct interconnections are negligible, they should be passed to consumers at near zero. Permitting providers to pass on fixed infrastructure or marked-up transit fees will allow anti-competitive egress fees to persist, severely hindering a resilient multi-cloud ecosystem in France.

We welcome the opportunity to discuss any points above with you further should this be helpful.